



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

December 7, 2000

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2001-28

TO: All UPS Agencies, Directors, Fiscal Officers, and Personnel Officers

FROM: Ronald S. Mitchell
Director

SUBJECT: Reporting and Correcting 2000 Wage and Tax Statement
NEW W-2c PROCEDURES

In January (2000), the Office of State Uniform Payroll (OSUP) consolidated to one federal and one state employer identification number for all UPS agencies. This consolidation of employer tax identification numbers eliminated the need for reporting tax information at the agency level. OSUP now completes **all required** information for the IRS (941) and State Department of Revenue (L3) for all UPS agencies. Although OSUP is now responsible for reporting W-2 information, the agencies are still responsible for all information reported on the W-2 form. **Agencies are also responsible for identifying corrections that must be made to Forms W-2 and for reporting that information to OSUP (per attached procedures). OSUP, however, is responsible for finalizing all Forms W-2c. Agencies must not complete and/or distribute any W-2c to employees, Social Security, or IRS. These corrections must go through OSUP.**

The 2000 W-2 information, as reflected on the final 2000 W-2 Employee Detail Report (BL1572-01) generated by the Uniform Payroll System, will be transmitted on magnetic tape to the IRS, through the Social Security Administration, and to the Louisiana Department of Revenue by the Office of State Uniform Payroll. Only basic instructions and "reminders" for correcting W-2 information are given below.

NOTE: The final payday is December 29, 2000. Because of this, year-end reports will be sent later than usual. W-2 forms should not be released to employees until OSUP has instructed the agency to do so (via OSUP Memorandum) and/or all Forms W-2c have been identified by the agency from the W-2 Exception Report, Social Security /Medicare Wage Exception Report, Void/Supplemental documents processed after year end deadline, or any flexible benefits plan reconciliation adjustments. Agencies must notify OSUP immediately for assistance if any Forms W-2c will be required.

REASONS FOR FORMS W-2c

NOTE: Refer to OSUP Memorandum #2001-27, dated December 7, 2000, for W-2c guidelines for 2000 Flexible Benefits Plan changes.

1. If Forms W-2 are not produced, or any amounts on Form W-2 are incorrect, due to a 2000 Void or Supplemental document that did not appear on a 2000 Void or Supplemental Payroll Register for:
 - a. A 2000 regular or supplemental payroll check that is voided.
 - b. A supplemental payroll check issued in 2000 that updates 2001 employee master record.
 - c. A repayment of wages in 2001 for wages overpaid in 2000.

2. If 2000 Social Security/Medicare taxable wages or taxes are updated in 2001 with a V/S document or an ADJFW/ADJMW Current Pay Wage Adjustment.

NOTE: Be very careful when entering Social Security/Medicare information on Supplemental documents for these Forms W-2c. Normally, wages multiplied by the appropriate percent (6.2 or 1.45) should equal the employee and state portions of taxes. If the agency is paying both portions (e.g., due to a flexible benefits plan adjustment for a terminated employee), the wages multiplied by the percent (12.4 or 2.9) should equal the state portion of taxes; zeroes must be entered for the employee's portion and net pay must be zero.

3. If gross wages on the W-2 are incorrect as a result of an employee's yearly elective deferrals exceeding the IRS limitation (e.g., deferred compensation or tax sheltered annuities). (Please refer to IRS/W-2 instructions on this; some exceptions are made.) This does not apply to retirement system deferrals and flexible benefits plan sheltered amounts. However, there are limitations on the Flexible Spending Account (FSA) for Dependent Care. Employees with CYTD balances greater than \$5,000.00 for Dependent Care will appear as an exception on the W-2 Exception Report (BL1570-01). If this occurs, contact Group Benefits – Flexible Benefits to inform them that the CYTD FSA limitation has been exceeded. Contact OSUP for assistance in correcting the exception. Refer to OSUP Memorandum #2001-24 and Memorandum #2001-26 for more information.
4. If a Form W-2 is not produced for an employee because his/her W-2 records appear on the W-2 Exception Report. Research the exception; changes usually are required before the W-2c can be prepared.
5. If fringe benefits taxable adjustments were not processed in time to update 2000 W-2 records. These corrections may also require adjustments to Social Security/Medicare wages and taxes.
6. If payments were made to an employee for qualified moving expenses. These payments are not included in income, but must be reported in Box 13 of the W-2 and labeled with code "P" to identify it as a nontaxable reimbursement. The payment should not be included as wages in Boxes 1, 3, or 5 of the W-2 and employment taxes should not be withheld. UPS does not currently have a mechanism for reporting these payments as code "P" in Box 13 of the W-2; therefore, a W-2c will have to be prepared to report this information.

7. If a supplemental was processed and released to the estate of or the beneficiary of a deceased employee and gross wages were not adjusted for the employee. (Requires a 1099.)
8. If backpay was paid under a statute that included interest, and gross wages were not adjusted for the employee. (Requires a 1099.)
9. If Third Party Sick Pay payments were received in 2000 and not included on the 2000 W-2.
10. If Worker's Compensation payments were received in 2000 and not processed through UPS until 2001.
11. If any other W-2 information is incorrect (e.g., name, address, social security number).

OFFICE OF STATE UNIFORM PAYROLL REPORTING

Correcting W-2 information – Again, although OSUP is responsible for reporting corrections and/or additions to the W-2 information that is reported on the magnetic tapes, agencies are responsible for identifying the necessary corrections and following the procedures (attached). Agencies must follow the procedures outlined below on how to adjust employee payroll records for prior year data that updates current year records.

ADJUSTING EMPLOYEE MASTER RECORD FOR PRIOR YEAR ACTIVITY

Please follow the attached W-2c Procedures. Agencies must submit to OSUP Payroll W-2 Balance Adjustments (UPR/F4W2) needed to remove all 2000 W-2 data that has updated the employee's 2001 master record. This includes Social Security and Medicare wage and tax adjustments from ADJFW/ADJMW Payroll Adjustments for prior year and all 2000 W-2 figures on Void/Supplemental documents which update 2001 records. The codes to be used are found on pages 15-16 in the Appendix of the OSUP On-line System User's Manual.

For further explanation or clarification on instructions, contact one of the following members of the User Services and Production Control Unit at (225):

Karen Antoine	342-5354	Cindy McClure	342-8928
Paula Rotolo	342-5357	Ralph Noland	342-8928
Christi Sanchez	342-5345	Cynthia Spann	342-8928

RSM:KWA:kmb

[Attachment](#)

December 7, 2001

Attachment

Agency W-2c Procedures:

1. Identify that a W-2c is necessary.
2. Notify the employee that they will be receiving a corrected W-2.
3. Notify OSUP immediately before processing current pay wage adjustments involved with the W-2c, such as ADJMW AND ADJFW. OSUP will notify agency when to process the pay wage adjustment.
4. Research/gather documentation to justify the W-2c. Listed below are examples of documentation required by OSUP for these balance adjustments to be entered. This list is not inclusive.
 - Proof that prior year activity updated current year records (e.g., copy of Void, Supplemental, and/or Current Payroll Register).
 - Supporting documentation for the prior year activity (e.g., screen print of Payroll Current Wage Adjustment, original Void (UPR/F20) or Supplemental (UPR/F10) Documents).
 - A copy of the Employee's W-2.
5. Prepare the W-2c and a UPR/F4W2, Balance Adjustment Request. **DO NOT release W-2c to employee.**
6. Complete and forward a copy of the W-2, the W-2c and completed Balance Adjustment Request Form, and necessary documentation (item 3) to OSUP.
7. After review of all documentation, OSUP will complete the Form W-2c and forward the employee's copies to the agency for distribution. OSUP will forward all other copies to the IRS and Social Security Administration. (OSUP will keep the employer's copy.)
8. **OSUP** will also complete amended 941, 941c and amended L1, L3 and forward to the IRS and LA Department of Revenue as necessary.
9. Upon receipt of W-2c from OSUP, agencies should distribute employee's copy of Form W-2c and make a copy for the agency records.
10. On a biweekly basis, review and initial the Consolidated Listing of Employee Adjustments, BL1705-01, indicating approval that all W-2 balance adjustments processed by OSUP were processed accordingly.